

Verizon Massachusetts
Retail Service Quality Plan

Section 1: Plan Provisions

I. Introduction

The Verizon Massachusetts Service Quality Plan is a self-executing remedy plan that ensures Verizon Massachusetts ("Verizon MA" or "Company") provides quality service to its retail customers. The plan calls for financial penalties to be assessed if Verizon MA fails to maintain specified service levels and is intended to "ensure that the Company does not act on its incentive to cut costs to the detriment of service quality" (D.P.U. 94-50, fn. 134).

The Service Quality Plan is designed to evaluate the overall level of service provided by Verizon MA to its retail customers. It is focused on twelve key measures that cover all aspects of Verizon MA's service and quantifies performance on both a state-wide and geographic basis. The plan includes two separate evaluation criteria and results under the plan are reported on a monthly basis. The failure to satisfy the plan's two requirements in any month results in a financial penalty in the form of direct credits to residence and business customers.

II. Provisions of the Plan

A. Measures Included

The Service Quality Plan consists of 12 measures broken down into three major categories: Maintenance Service Items, Installation Service Items and Service Response Items. In total, these measures cover almost all interactions the Company has with its

retail customers. The Service Response items cover customer interactions for ordering service, reporting troubles and directory assistance. The Installation Service items measure the Company's performance in provisioning new services. And the Maintenance Service items measure the reliability of the local telephone network and the Company's performance in responding to customer trouble reports quickly. Overall, the 12 measures included in the Service Quality Plan provide a comprehensive view of the level of service provided by Verizon MA.

Listed below are the specific measures included in the plan. The definition of each measure is provided in Section 2.

Maintenance Service Items:

Network Trouble Report Rate

Percent of Troubles Cleared within 24 Hours – Residence

Percent of Troubles Cleared within 24 Hours – Business

Installation Service Items:

Percent of Appointments Missed for Company Reasons – Total

Percent of Appointments Missed for Company Reasons – Residence

Percent of Appointments Missed for Company Reasons – Company Facilities

Percent of Installation Trouble Reports

Service Response Items:

Directory Assistance Average Speed of Answer

Toll & Assist Average Speed of Answer

Repair Resolution Center (Repair Service) Average Speed of Answer

Residence Service Level

Business Service Level

B. Standards

The Service Quality Plan specifies two levels of service performance with associated thresholds for each of the 12 measures included: the "standard" level and the "target" level. Each level is also assigned a point value that is used in evaluating overall

performance under the plan (described further below). Performance that is at or better than the "target" threshold is assigned two points under the plan. Performance that is at or better than the "standard" threshold, but not at the "target" level, is assigned one point under the plan. Service that is below the prescribed "standard" level is assigned zero points.

Following is a representative example of a performance measure and its associated performance standards.

C. Evaluation Criteria

The Service Quality Plan assesses performance based on two separate criteria: the Service Quality Index and the Standard Miss criteria.

1. Service Quality Index

The Service Quality Index ("SQI") is an overall service score that is determined based on the level of service achieved on each of the 12 measures under the plan. The plan requires that Verizon MA achieve a level of 33 SQI points in each month. If the required 33 point level is not achieved, Verizon faces the financial penalty described below. The SQI is determined on a monthly basis as follows:

- Calculate Performance - performance for each measure is calculated on a 12-month, rolling basis. This requires that 12 months of data is always used in calculating performance for each measure. For example, the reported results for a given month will be based on performance in that month and the preceding 11 months. Results for May will capture performance from the preceding June through May; results for June will capture performance from the preceding July through June.

- **Score Performance** - the reported performance for each measure will then be scored against the established thresholds for "standard" and "target " performance and given a point value of either zero, one or two points. The five service response items are reported and scored on a statewide basis and thus represent a maximum of 10 available points under the plan (five measures X two points). For SQI purposes, the seven Installation and Maintenance items are reported and scored based on three operations geographies used by Verizon MA. Thus, the Installation and Maintenance items represent a maximum of 42 possible SQI points under the plan (seven measures X two points X three geographies.)
- **Determine Total SQI Points** – all of the points scored on the Maintenance, Installation and Service Response measures are added to determine the overall SQI score for the given month. If the total SQI score for a given month is less than 33 points, the financial penalty described in the plan is assessed.

2. Standard Miss Criteria

The Standard Miss criteria is an additional requirement that must be satisfied on a monthly basis, in addition to the total SQI standard, in order to avoid a penalty under the plan. Under this provision, a penalty is assessed when three or more of the 12 individual service items fall below the standard level threshold on a statewide basis in a given month. In other words, a penalty is assessed if three (or more) of the measures used to calculate the SQI score zero points on a statewide basis. Results are, again, calculated on a 12-month rolling basis.

The following table summarizes the measures included in the plan and the reporting requirements, geographic or statewide, used to evaluate performance under the plan.

Verizon MA Service Quality Plan					
Measure	SQI Points (33 points required)				Standard Miss (No more than 2)
	MassBay	No/NE	BayPath	MA (Statewide)	MA (Statewide)
Maintenance Items					
Network Trouble Report Rate	X	X	X		X
% Troubles Clrd in 24 Hrs – Res	X	X	X		X

% Troubles Clrd in 24 Hrs – Bus	X	X	X		X
Installation Items					
% Missed Appt for Company Reasons					
Total Customers	X	X	X		X
Residence Customers	X	X	X		X
Company Facilities	X	X	X		X
% Installation Trbl Reports	X	X	X		X
Service Response Items					
DA Average Speed of Answer				X	X
Toll & Assist Average Speed of Answer				X	X
Repair Resolution Center Average Speed of Answer				X	X
Residence Service Level				X	X
Business Service Level				X	X
<i>Note: X indicates when a measure is used to score SQI points or when a measure is used to determine Standard Miss criteria</i>					

D. Reporting and Penalty Provisions

The Company will provide a monthly Quality of Service ("QOS") report to the Department outlining its performance under the plan. A copy of the report is included in Section 3. The report will include both the official 12 month rolling results and current, stand alone monthly results for the 12 performance measures defined in the plan on a statewide and geographic basis. The QOS report may also include other sections containing data required to fulfill commitments the Company has for reporting service performance items to the Department such as specific wire center report rates, major service failures, etc.

At the conclusion of each calendar year the company will incur a financial penalty if it did not meet the plan's requirements in any of the preceding 12 months. The penalty will

be one-twelfth of one percent of total annual retail revenue for each month of the year in which the plan's requirements were not met. The penalty will be paid as a one-time credit on each residence and business line in service at the time of credit.

E. Exceptions and Waiver Process

Recognizing that service quality may be influenced by factors beyond Verizon MA's control, Verizon MA may file Exception or Waiver petitions with the Department seeking to have monthly service quality results modified. Circumstances that would qualify for such consideration are limited to periods of emergency, catastrophe, natural disaster, severe storms, or other events beyond Verizon MA's control.

Any petition pursuant to this provision must demonstrate clearly and convincingly the extraordinary nature of the circumstances involved, the impact that the circumstances had on Verizon MA's service quality, why Verizon MA's normal, reasonable preparations for difficult situations proved inadequate, and the specific days affected by the event. The petition must be filed within 45 days from the end of month in which the event occurred.

The Department will determine which, if any, of the daily and monthly results should be adjusted in light of the extraordinary event cited.

F. Term of the Plan

The term of the Retail Service Quality Plan shall be coincident with the Company's Alternative Regulation Plan and will remain in effect at least through August 2004.

Section 2 – Retail Service Quality Plan – Measure Definitions

Measure
Network Trouble Report Rate
Definition:
This metric measures the total initial customer direct or referred troubles reported, where the trouble disposition was found to be in the network, per 100 lines in service. Network trouble means a trouble with a disposition code of 03 (Drop wire), 04 (Outside Plant Loop), 05 (Central Office), 07 (Trouble tested OK), 08 (Trouble dispatched and found OK in Central Office), and 09a (Trouble dispatched and found OK in Outside Plant).
Exclusions:
The following trouble reports are excluded from the calculation of report rate:
<ul style="list-style-type: none">• Subsequent reports (A subsequent report is an additional customer trouble report

<p>on a line while the original report is still pending, typically for status or to change or update information.)</p> <ul style="list-style-type: none"> • Troubles reported on Verizon official (administrative) lines • Troubles closed due to customer action (disposition code 06) • Troubles reported to Verizon employees in the course of performing preventative maintenance, where no customer has reported a trouble • Troubles found in customer premise equipment (CPE, disposition code 12) 	
<p>Reporting Geography:</p> <ul style="list-style-type: none"> • Statewide basis (standard miss criteria) • Geographic / Operations turf basis (SQI point criteria) 	
<p>Performance Standard:</p> <p>Standard Threshold (1 point)</p> <p>Target Threshold (2 points)</p>	<p>2.25</p> <p>1.90</p>
<p>Calculation:</p>	
<p><i>Numerator:</i></p> <p>Number of network troubles</p>	<p><i>Denominator:</i></p> <p>Number of lines in service (divided by 100)</p>
<p>Measure</p> <p>Percent of Trouble Cleared within 24 Hours – Residence</p>	
<p>Definition:</p> <p>This metric measures the percentage of network troubles (as defined for Network Trouble Report Rate) for residence customers that are cleared within 24 hours of receipt of the original report. This measure counts both out of service troubles (OOS) and customer affecting troubles.</p>	
<p>Exclusions:</p> <p>All troubles reported on residence lines that are scored as a network trouble (as defined for Network Trouble Report Rate) are counted toward this measure.</p>	

Reporting Geography: <ul style="list-style-type: none"> Statewide basis (standard miss criteria) Geographic / Operations turf basis (SQI point criteria) 	
Performance Standard: Standard Threshold (1 point) Target Threshold (2 points)	60% 70%
Calculation:	
<i>Numerator:</i> Number of residence network troubles where the clear date and time minus trouble receipt date and time is less than or equal to 24 hours	<i>Denominator:</i> Number of residence network troubles
Measure Percent of Trouble Cleared within 24 Hours – Business	
Definition: This metric measures the percentage of network troubles (as defined for Network Trouble Report Rate) for business customers that are cleared within 24 hours of receipt of the original report. This measure counts both out of service troubles (OOS) and customer affecting troubles.	
Exclusions: All troubles reported on business lines that are scored as a network trouble (as defined for Network Trouble Report Rate) are counted toward this measure.	
Reporting Geography: <ul style="list-style-type: none"> Statewide basis (standard miss criteria) Geographic / Operations turf basis (SQI point criteria) 	

Performance Standard: Standard Threshold (1 point) Target Threshold (2 points)	75% 85%
Calculation:	
<i>Numerator:</i> Number of business network troubles where the clear date and time minus trouble receipt date and time is less than or equal to 24 hours	<i>Denominator:</i> Number of business network troubles
Measure Percent of Missed Installation Appointments for Company Reasons – Total	
Definition: This metric measures the percentage of residence and business local exchange installation requests that are completed after the commitment date where the reason for the missed commitment is due to the company. These service requests include the initiation of new service and miscellaneous changes to existing service.	
Exclusions: The following service orders are excluded from the calculation of this metric: <ul style="list-style-type: none"> • Orders missed due to customer action • Disconnect orders • Verizon administrative orders • Additional segments on orders (parts of a whole order are included in the whole) • Orders that are not complete (Orders are counted in the month that they are completed) • Suspend for non-payment and associated restore orders 	
Reporting Geography: <ul style="list-style-type: none"> • Statewide basis (standard miss criteria) 	

<ul style="list-style-type: none"> Geographic / Operations turf basis (SQI point criteria) 	
Performance Standard:	2.5%
Standard Threshold (1 point)	1.5%
Target Threshold (2 points)	
Calculation:	
<i>Numerator:</i> Number of residence and business orders where the order completion date is greater than the order due date due to company reasons	<i>Denominator:</i> Number of residence and business orders completed
Measure Percent of Missed Installation Appointments for Company Reasons – Residence	
Definition: This metric measures the percentage of residence local exchange installation requests that are completed after the commitment date where the reason for the missed commitment is due to the company. These service requests include the initiation of new service and miscellaneous changes to existing service.	
Exclusions: The following service orders are excluded from the calculation of this metric: <ul style="list-style-type: none"> Orders missed due to customer action Disconnect orders Verizon administrative orders Additional segments on orders (parts of a whole order are included in the whole) Orders that are not complete (Orders are counted in the month that they are completed) Suspend for non-payment and associated restore orders 	
Reporting Geography:	

<ul style="list-style-type: none"> Statewide basis (standard miss criteria) Geographic / Operations turf basis (SQI point criteria) 	
Performance Standard:	2.5%
Standard Threshold (1 point)	1.5%
Target Threshold (2 points)	
Calculation:	
<i>Numerator:</i> Number of residence orders where the order completion date is greater than the order due date due to company reasons	<i>Denominator:</i> Number of residence orders completed

Measure
Percent of Missed Installation Appointments for Company Facilities
Definition: This metric measures the percentage of residence and business local exchange installation requests that are completed after the commitment date where the reason for the missed commitment is due to a lack of facilities.
Exclusions: The following service orders are excluded from the calculation of this metric: <ul style="list-style-type: none"> Disconnect orders Verizon administrative orders Additional segments on orders (parts of a whole order are included in the whole) Orders that are not complete (Orders are counted in the month that they are completed)

- Suspend for non-payment and associated restore orders

Reporting Geography:

- Statewide basis (standard miss criteria)
- Geographic / Operations turf basis (SQI point criteria)

Performance Standard:

1.25%

Standard Threshold (1 point)

1.15%

Target Threshold (2 points)

Calculation:

Numerator:

Number of residence and business orders where the order completion date is greater than the order due date due to a lack of facilities

Denominator:

Number of residence and business orders completed

Measure

Percent Installation Troubles

Definition:

This metric measures the percentage of installation orders where a reported trouble was found in the network within thirty (30) days of order completion.

Exclusions:

The following trouble reports are excluded from the calculation of this metric:

- Subsequent reports
- Troubles reported to Verizon employees in the course of performing preventative maintenance, where no customer has reported a trouble

Reporting Geography: <ul style="list-style-type: none"> Statewide basis (standard miss criteria) Geographic / Operations turf basis (SQI point criteria) 	
Performance Standard: Standard Threshold (1 point) Target Threshold (2 points)	6.0% 5.5%
Calculation:	
<i>Numerator:</i> Number of network troubles with installation activity within 30 days of the trouble report	<i>Denominator:</i> Total lines installed in the calendar month
Measure Directory Assistance Average Speed of Answer	
Definition: This metric measures the average number of seconds a customer had to wait before reaching a directory assistance operator.	
Exclusions: None	
Reporting Geography: <ul style="list-style-type: none"> Statewide basis (standard miss criteria and SQI point criteria) 	
Performance Standard: Standard Threshold (1 point) Target Threshold (2 points)	4.0 seconds 3.6 seconds

Calculation:	
<i>Numerator:</i> Sum of call answer time for all calls from the time the call enters the queue for an operator to the time the call is answered by an operator	<i>Denominator:</i> Number of calls answered
Measure Toll and Assist Average Speed of Answer	
Definition: This metric measures the average number of seconds a customer had to wait before reaching a toll and assist operator.	
Exclusions: None	
Reporting Geography: <ul style="list-style-type: none"> Statewide basis (standard miss criteria and SQI point criteria) 	
Performance Standard: Standard Threshold (1 point) Target Threshold (2 points)	4.0 seconds 3.6 seconds
Calculation:	
<i>Numerator:</i> Sum of call answer time for all calls from the time the call enters the queue for an operator to the time the call is answered by an operator	<i>Denominator:</i> Number of calls answered

Measure Repair Resolution Center Average Speed of Answer	
Definition: This metric measures the average number of seconds a residence or general business customer had to wait before reaching a repair representative to report a trouble.	
Exclusions: None	
Reporting Geography: <ul style="list-style-type: none"> Statewide* basis (standard miss criteria and SQI point criteria) * The Repair Resolution Center supports all of Verizon's New England service area. Performance results are measured and reported on a New England wide basis.	
Performance Standard: Standard Threshold (1 point) Target Threshold (2 points)	20 seconds 15 seconds
Calculation:	
<i>Numerator:</i> Sum of call answer time for all calls from the time the call enters the queue for a repair representative to the time the call is answered by a repair representative	<i>Denominator:</i> Number of calls answered
Measure Residence Service Level	

Definition: This metric measures the percentage of calls to the residence business office (CSSC – Consumer Sales and Solutions Center) that are answered within 20 seconds.	
Exclusions: None	
Reporting Geography: <ul style="list-style-type: none"> Statewide basis (standard miss criteria and SQI point criteria) 	
Performance Standard: Standard Threshold (1 point) Target Threshold (2 points)	60% 75%
Calculation:	
<i>Numerator:</i> Number of calls to CSSC that are answered by a representative within 20 seconds	<i>Denominator:</i> Number of calls answered

Measure Business Service Level
Definition: This metric measures the percentage of calls to the business office (BSC – Business Solutions Center) that are answered within 20 seconds.
Exclusions:

None	
Reporting Geography: <ul style="list-style-type: none"> Statewide* basis (standard miss criteria and SQI point criteria) <p>* The Business Solutions Center supports all of Verizon's New England service area. Performance results are measured and reported on a New England wide basis.</p>	
Performance Standard:	60%
Standard Threshold (1 point)	75%
Target Threshold (2 points)	
Calculation:	
<i>Numerator:</i> Number of calls to BSC that are answered by a representative within 20 seconds	<i>Denominator:</i> Number of calls answered

Verizon Massachusetts

Retail Service Quality Plan

Section 3 - Example of Monthly Quality of Service Report

Service Quality Index
2001 Statewide Results
12 Month Rolling Average

S = Standard Level

Thresholds

[illegible]

(12 Month Rolling Average)

S = Standard Level

[illegible]

Service Quality Index
2001 Results
(12 Month Rolling Average)

2001

[illegible]

Service Quality Index
2001 Results
(12 Month Rolling Average)

2001

[illegible]

**Service Quality Index
2001 Statewide Results
Monthly Actuals**

S = Standard Level

Thresholds

[illegible]

Service Quality Index
2001 Results
(Monthly Actuals)

2001

[illegible]

Service Quality Index
2001 Results
(Monthly Actuals)

2001

[illegible]